Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	
	)	
Application of Verizon New Jersey, Inc., BellAtlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a/ Verizon Enterprise Solutions), Verizon Global Networks, Inc., and Verizon Select Services, Inc., for Authorization to Provide In-Region InterLata Services in New Jersey	)))))))	CC Docket No. 01-347

COMMENTS OF
CAVALIER TELEPHONE MID-ATLANTIC, L.L.C.

Stephen T. Perkins
Alan M. Shoer
Cavalier Telephone
2134 West Laburnum Avenue
Richmond, VA 23227
(804) 422-4515

Attorneys for Cavalier Telephone Mid-Atlantic, LLC

January 14, 2001

TABLE OF CONTENTS

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of Application of Verizon New Jersey, Inc., BellAtlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a/ Verizon Enterprise Solutions), Verizon Global Networks, Inc., and Verizon Select Services, Inc., for Authorization to Provide In-Region InterLata Services in New Jersey	)))))))))	CC Docket No. 01-347

COMMENTS OF
CAVALIER TELEPHONE MID-ATLANTIC, L.L.C.

Pursuant to the Commission's Public Notice, Cavalier Telephone Mid-Atlantic, LLC ("Cavalier") respectfully submits these comments in opposition to the application of Verizon for authorization to provide in-region, interLATA services in New Jersey.

SUMMARY

Cavalier's parent company was founded in late 1998 and first began providing facilities-based local telephone services in July 1999 in Virginia, where it now serves over 150,000 access-line equivalents. Like its parent company, Cavalier focuses on the provision of facilities-based residential local telephone service to both residential and business customers in the mid-Atlantic region of New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia. Cavalier provides that service by purchasing unbundled loops ("UNE-L") from Verizon and connecting those loops to Cavalier's own network and switches.

As explained below, Cavalier's UNE-L facilities-based local entry strategy requires Cavalier to purchase a "hot cut" from Verizon for each line that Cavalier acquires. The problem is that Verizon's new hot cut NRCs for New Jersey are massively inflated and create a price squeeze that precludes local entry by facilities-based providers, like Cavalier. Thus, given Verizon's newly adopted hot cut rates, Cavalier, like other competitive local exchange carriers, cannot afford to enter (or to continue providing services in) New Jersey's local telephone markets.

Verizon further deters competitive entry by refusing to comply with its obligation to compensate new entrants, like Cavalier, for Verizon-originated traffic hauled by competitive local exchange carriers. As detailed below, Cavalier has installed efficient end-office network POIs with Verizon, providing residential and business customers with an additional choice of local telephone service providers. The Commission's rules and the Cavalier/Verizon interconnection agreement require Verizon to compensate Cavalier for the Verizon-originated traffic that Cavalier carries. Verizon has refused to do that, thereby violating Commission rules, violating the Verizon/Cavalier ICA, and threatening the continued seamless integration of Verizon and Cavalier's networks and the future existence of Cavalier in Verizon's local markets.

I. VERIZON'S APPLICATION IS NOT IN THE PUBLIC INTEREST AND ALSO VIOLATES CHECKLIST ITEM TWO.

Cavalier and its parent company focus on the provision of facilities-based residential local telephone service to both residential and business customers, and now serves over 150,000 access-line equivalents in Virginia. In an effort to expand its business, Cavalier developed a business plan to replicate its residential local telephone service business model to other Verizon states. That plan did not originally include New Jersey because Verizon's New Jersey recurring charges were on their face far too high to support Cavalier's facilities-based local entry plans. In addition, the hot cut NRCs in New Jersey were more than double those in Virginia. *See* Snyder Decl. ¶ 7, attached as Exhibit D.

However, as part of its expansion plan, Cavalier acquired the telecommunications assets of Conectiv Communications, Inc. ("Conectiv"), which served approximately 60,000 lines in Virginia, Maryland, Pennsylvania, Delaware and New Jersey. Because Cavalier obtained 15,000 New Jersey local telephone lines in that acquisition, Cavalier re-examined whether it would be economically feasible to provide local telecommunications services in New Jersey. In particular, Cavalier examined whether the UNE rates adopted by the New Jersey Board of Public Utilities ("NJ-BPU") for Verizon on November 20[1] would make facilities based local telephone entry in New Jersey economically feasible for Cavalier.

Based on Verizon's lower recurring UNE rates, Cavalier was initially hopeful that it could profitably implement its facilities-based local entry business plan in New Jersey. However, Cavalier's optimism was short lived; after reviewing the "fine print," Cavalier discovered that although Verizon's recurring rates are now somewhat

[1] *See* Telecommunications Summary Order of Approval, *The Board's Review of Unbundled Network Elements, Terms, and Conditions of BellAtlantic New Jersey, Inc.*, Docket No. TO00060356 (November 20, 2001) ("Summary Order").

lower, Verizon's non-recurring hot-cut rates are much higher. Verizon's New Jersey two wire hot cut NRC is now $159.76/line if no premise visit is required, and jumps to a whopping $233.12 when a premise visit is necessary. The no premise visit NRC is almost five times Verizon's old New Jersey hot cut rate of $32.16/line, and as much as thirty or more times higher than Verizon's hot cut rate in other states. *See* Snyder Decl. ¶ 8.

By substantially inflating its hot cut NRCs, Verizon has effectively implemented a price squeeze that makes local entry into New Jersey economically infeasible. As explained above, Cavalier provides local telephone services by purchasing UNE-Ls from Verizon and connecting those loops to Cavalier's own network and switches. When Cavalier acquires a new customer, it must now pay $159.76 to Verizon to implement the hot cut that is necessary to connect the new customer's local loop to Cavalier's equipment that is collocated in Verizon's central office. Cavalier cannot pass hot cut NRCs on to its customers through higher rates because any attempt to do so would motivate customers to stay with Verizon. Nor can Cavalier afford to "absorb" Verizon's hot cut NRCs, as it does in Virginia.[2] *See* Snyder Decl. ¶

[2] Verizon's Virginia hot cut NRCs are $13.49 with a premise visit and $32.50 without a premise visit. *See* Snyder Decl. ¶ 6. Cavalier recognized that it could not compete effectively against Verizon, and attract customers to switch to Cavalier, if Cavalier attempted to pass on the hot cut NRC with a "conversion" charge. Customers would not be inclined to transfer their service from Verizon to Cavalier if Cavalier charged a transfer fee that covered the NRC for the hot cut conversion. *See id.* Accordingly, Cavalier "absorbs" the hot cut NRC in Virginia, and incurs a charge of up to $32.50 without any corresponding transfer charge to the customer.

10. Thus, unless Verizon substantially lowers its New Jersey hot cut NRC, Cavalier will not attempt to gain any additional customers in New Jersey.[3] *See id.*

In sum, Verizon's new hot cut NRC's are grossly inflated in violation of Checklist Item 2 and, because those hot cut NRCs create a price squeeze that deters local entry in New Jersey, Verizon's massively inflated hot cut NRCs contravene the public interest. Thus, Verizon's Application should plainly be denied.

II. VERIZON REFUSES TO COMPLY WITH ITS OBLIGATION TO COMPENSATE CAVALIER FOR TRAFFIC HAULED BY CAVALIER IN VIOLATIONS OF CHECKLIST ITEMS 1 AND 13.

The Commission's rules "require an incumbent LEC to allow a competitive LEC to interconnect at any technically feasible point," *Texas 271 Order* ¶ 78, and further "require that an incumbent LEC compensate the [interconnecting]. . . carrier for transport and termination for local traffic that originates on the network facilities of such other carrier." *Kansas/Oklahoma 271 Order* ¶ 235. Verizon has allowed Cavalier to interconnect, but in many cases has refused to pay Cavalier for hauling Verizon originated traffic from the Point of Interface ("POI") to the Interconnection Point ("IP"), *i.e.,* over Cavalier's network, as it is required to do under the Commission's rules.[4]

[3] Cavalier, of course, does not intend to abandon its existing New Jersey customers obtained through the Conectiv acquisition. To the contrary, Cavalier plans to continue providing high quality local telephone services to those customers. However, Cavalier will not seek to obtain additional New Jersey customers. In this way, Cavalier expects to maintain good customer relations with its newly acquired New Jersey customers in case Verizon's New Jersey UNE rates are someday lowered to levels that make expansion of Cavalier's facilities-based local telephone entry plans economically feasible.

[4] The interconnection arrangement between Cavalier and Verizon in New Jersey is shown in Exhibit A (attached). As indicated on that Attachment, Cavalier has multiple

Given Verizon's refusal to comply with its clear obligations under the Act and the Commission's implementing rules, Verizon has failed to provide nondiscriminatory access to interconnection and reciprocal compensation. Thus, Verizon's application must be denied.

Consistent with the Commission's rules, the Cavalier/Verizon ICA states that "to the extent the originating Party's Point of Interconnection is not located at the terminating Party's relevant IP, the originating party is responsible for transporting its traffic from its POI to the terminating Party's relevant IP." ICA at Section 04.2.3 (attached as Exhibit B). The ICA goes on to state that "The Originating Party must establish direct trunking to a Receiving Party's End Office (which may have Tandem-routed overflow) by self-provisioning, *purchasing transport rated as unbundled interoffice transport from the Receiving Party.*" ICA at Section 04.2.4 (attached as Exhibit B). Thus, there is no question that under both the Commission's rules and under the Cavalier/Verizon ICA, Verizon is required to compensate Cavalier for traffic that is originated by Verizon and that is carried by Cavalier from the POI to the IP.

Despite its clear obligation, Verizon has in many cases simply refused to pay for the transport received from Cavalier. Cavalier's efforts – including attempts at negotiations – to obtain the transport charges owed by Verizon have failed. About ten days ago, on January 4, 2002 Cavalier formally notified Verizon that Verizon is in default of its interconnection agreement with Cavalier, and that the agreement may be subject to termination. *See* Exhibit C (letter from Cavalier to Verizon). If Cavalier is

---

POI's in New Jersey where it has collocated facilities at a Verizon wire center. The IP however is located in Newark, Delaware.

forced to terminate its interconnection with Verizon, New Jersey customers will have access to one fewer local service providers in New Jersey.

Cavalier is not seeking to have Verizon comply with a hypothetical or proposed rule. Rather, Cavalier expects Verizon to comply with the Commission's *current rule* that incumbent LECs, like Verizon, are required to compensate interconnecting carriers for transport. *See Memorandum Opinion and Order, Joint Application of SBC Communications, Inc., et al, for Provision of In-Region InterLATA Services in Kansas and Oklahoma,* ¶ 235 *CC Dkt. No. 00-217* (rel. Jan. 22, 2001); Memorandum Opinion and Order, *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, 15 FCC Rcd. 3953, ¶ 78 (1999).[5]

The bottom line is this: Cavalier has installed efficient end-office network POIs with Verizon, providing residential and business customers with an additional choice for local telephone services. Verizon's actions now threaten the continued seamless integration of Verizon and Cavalier's networks and the future existence of Cavalier in Verizon's local markets. Verizon's conduct violates Checklist Items 1 and 13.

---

[5] The Commission's intercarrier compensation proceeding is addressing compensation associated with "single point of interconnection." Cavalier has established multiple interconnection points and is providing transport services for Verizon, at Verizon's request.

CONCLUSION

For the foregoing reasons, Verizon's Section 271 Application should be denied.

Respectfully submitted,

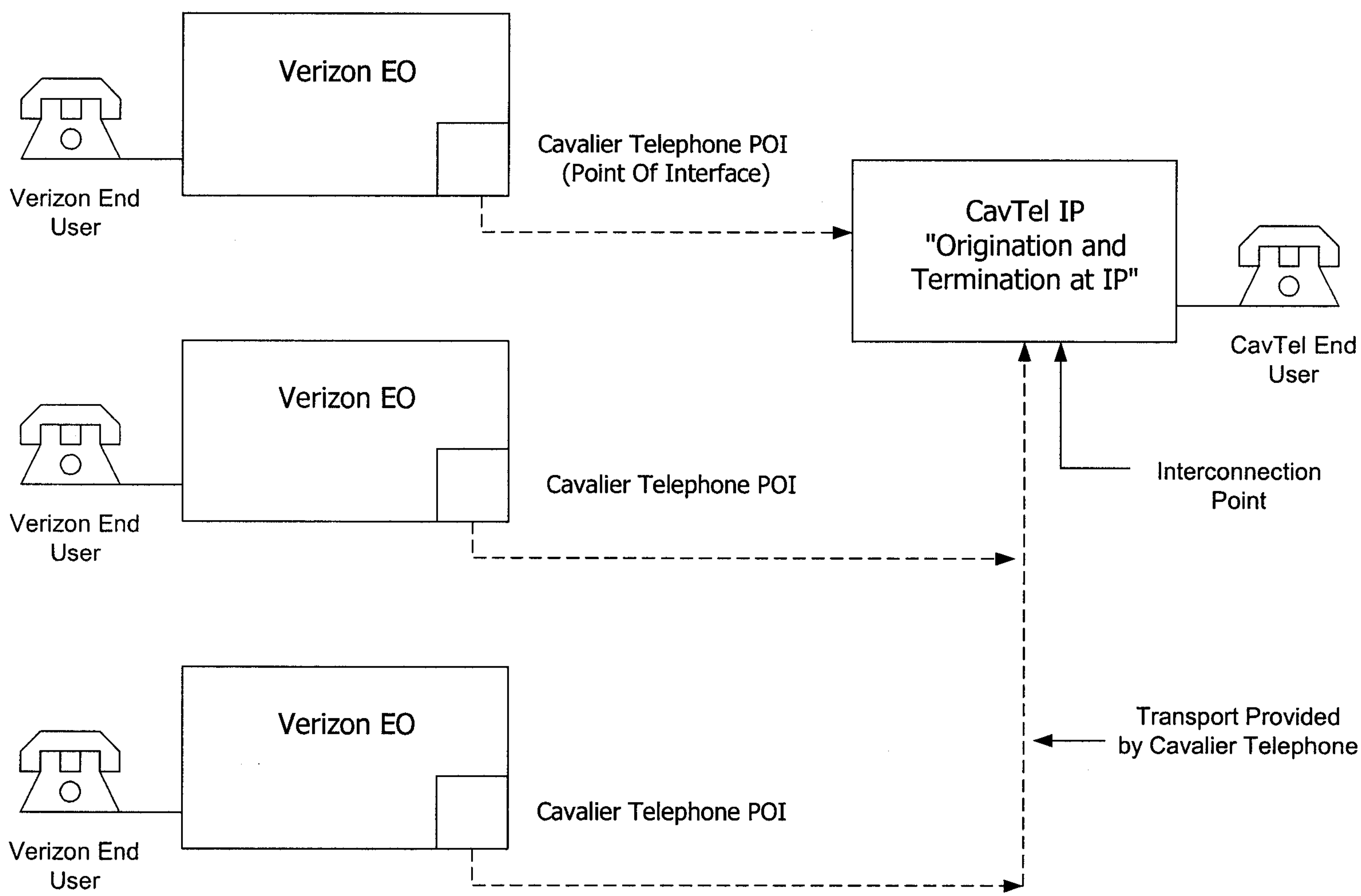
Stephen T. Perkins
Alan M. Shoer
Cavalier Telephone
2134 West Laburnum Avenue
Richmond, VA 23227
(804) 422-4515

Attorneys for Cavalier Telephone Mid-Atlantic, LLC

January 14, 2001

Exhibit A

Cavalier - Verizon Interconnection
POI - IP Transport Provided to Verizon by Cavalier



POI – IP Transport Provided to Verizon by Cavalier
New Jersey

POI	IP	DS1's
Pleasantville	Camden	13
Atlantic City	Camden	2
Blackwood	Camden	1
Cherry Hill	Camden	1
Collingswood	Camden	1
Marlton	Camden	1
Moorestown	Camden	1
Mount Holly	Camden	1
Princeton	Camden	1
Trenton	Camden	2
Vineland	Camden	1
Willingsboro	Camden	1
Total		**26**

Exhibit B

the extent that the Parties have already implemented network Interconnection in a LATA at a point that it not geographically relevant (as that term is described above) or another Conectiv IP, then upon BA's request for geographically-relevant Conectiv-IPs, the Parties shall negotiate a mutually acceptable transition process and schedule to implement the geographically-relevant IPs. If Conectiv should fail to establish an IP at an End Office Collocation site pursuant to BA's request, or if the Parties have been unable to agree upon a schedule for completing a transition from existing arrangements to geographically-relevant Conectiv-IPs or to an End Office Collocation site Conectiv-IP within sixty (60) days following BA's request. Conectiv shall bill and BA shall pay the applicable Intercarrier Compensation Rate for the relevant NXX, as set forth in Section 5.7 below, less BA's monthly recurring rate for unbundled dedicated interoffice transport from BA's originating End Office to the Conectiv-IP.

Should Conectiv choose to obtain transport from BA for Local Traffic and Compensable Internet Traffic from a Conectiv-IP at a Collocation site to another Conectiv location, BA shall bill and Conectiv shall pay, the applicable unbundled dedicated interoffice transport and channel termination rates set forth herein.

4.2.3 **Points of Interconnection.** As and to the extent required by Section 251 of the Act, the Parties shall provide Interconnection of their networks at any technically feasible point, as described in Section 4.3. To the extent the originating Party's Point of Interconnection ("POI") is not located at the terminating Party's relevant IP, the originating Party is responsible for transporting its traffic from its POI to the terminating Party's relevant IP.

4.2.4 **Trunking Architecture.** The Originating Party must establish direct trunking to a Receiving Party's End Office (which may have a Tandem-routed overflow) by self-provisioning, purchasing transport rated as unbundled dedicated interoffice transport from the Receiving Party, or purchasing from a third party if the Local Traffic and Compensable Internet Traffic destined for that End Office exceeds the equivalent of two DS1s for any three (3) months during any six (6) month period. For purposes of this paragraph, BA shall satisfy its End Office trunking obligations by handing off traffic to a Conectiv-IP. Should Conectiv fail to comply with this End Office trunking requirement, then the Intercarrier Compensation rate to be paid by Conectiv shall be determined as follows: (a) for direct (non-switched) End Office trunks delivered to BA at the BA Tandem Wire Center that is subtended by the BA End Office serving the Customer location receiving the call, Conectiv shall pay the applicable Intercarrier Compensation rate then in effect pursuant to Section 5.7, plus $.0007 per minute of use; and (b) for Tandem-switched trunks delivered to BA at the BA Tandem Wire Center that is subtended by the relevant BA End Office, Conectiv shall pay the Tandem Office Reciprocal Call Termination Rate as set forth in Exhibit A hereto; provided, however, that in the event Conectiv has properly forecasted and ordered the required trunking from BA and BA has been unable to provision the ordered trunking, Conectiv shall not be obligated to pay the higher Tandem Office rate until BA is able to provide the requested trunking.

Exhibit C

EXHIBIT

ALL-STATE LEGAL®

C

Cavalier TELEPHONE

"Your Local Telephone Company"

VIA OVERNIGHT DELIVERY and EMAIL

Jeannine T. Kirkman
Verizon Communications Corporation
125 High Street
Boston, Massachusetts 02110

January 4, 2002

Re: Notice of Default

Dear Jeannine T. Kirkman

Please take notice that Verizon New Jersey Inc., Verizon Pennsylvania Inc., and Verizon Delaware Inc., formerly known as Bell Atlantic-New Jersey, Inc., Bell Atlantic-Pennsylvania, Inc., and Bell Atlantic-Delaware Inc. (together, "Verizon"), are in continuing default of its bill payment obligations under their respective Interconnection Agreements with Cavalier Telephone Mid-Atlantic, LLC ("Cavalier"), as successor in interest to Conectiv Communications, Inc.

Specifically, Verizon is more than 120 days in arrears on payments of undisputed charges of \$3,153,417.65. In addition, Verizon has disputed charges of \$4,774,695.45, however these disputes are not bona fide. The total amount due Cavalier is \$7,928,113.10. These charges are for account DSBASP.

Please take further notice that if this payment default is not cured within sixty (60) days of this letter, Cavalier will begin to exercise its available rights and remedies, pursuant to Section 22.5 of each Interconnection Agreement, up to and including suspension of service and termination of the Interconnection Agreements. Initially, Cavalier will place an embargo on Verizon "Win-back" accounts.

This cure demand is for bona fide undisputed past due charges.

Cavalier is, of course, aware that Verizon has raised disputes as to some of the charges on the special access invoices billed under the account referenced above. Cavalier and Verizon have worked through a dispute resolution escalation procedure, in accordance with Section 28.8 of the Interconnection Agreement. This dispute escalation process has continued for more than 120 days and has already been escalated to the top of the Verizon business organization.

For its part, Verizon has not made any payments to Cavalier on any of its accounts, even for amounts not claimed to be in dispute by Verizon.

Verizon is not in compliance with contract requirements for asserting and resolving "good faith billing disputes." While Cavalier has continued to perform its contract obligations to provide service, Verizon has intentionally defaulted in making any payments for such service. Verizon's position that dispute of a portion of the Cavalier charges entitles Verizon to stop all payment to Cavalier violates basic principles of contract law and eliminates any consideration for Cavalier's continued performance.

Further, Verizon's action is in specific breach of billing dispute provisions of the Interconnection Agreement contained in Section 28.8. Section 28.8.3 requires that payment of all undisputed amounts due under this Agreement shall be made no later than 30 days after the invoice receipt. Thus, Verizon's

2134 West Laburnum Avenue • Richmond, VA 23227
Phone: (804) 422-4000 • Fax: (804) 422-4392
Website: www.cavaliertelephone.com

due under this Agreement shall be made no later than 30 days after the invoice receipt. Thus, Verizon's position constitutes a material default under Section 22 and grounds for suspension of service and contract termination.

Cavalier remains committed to working with Verizon to resolve all good faith disputes raised by Verizon with respect to its accounts. However, Cavalier cannot and will not continue to provide service to Verizon without any payments forthcoming. Cavalier request that full payment be made immediately.

If Verizon does not cure its default in the manner set forth hereinabove, then Cavalier will take immediate action to begin implementing its available remedies, including suspension of service and the ultimate termination of the Interconnection Agreements.

Cavalier has specifically advised Verizon that it cannot continue to ignore its payment obligations and has made several good faith attempts to find a simple resolution to this unacceptable situation. Cavalier shared with Verizon a complete analysis of its special access charges and demonstrated that the billing is correct. Verizon refuses to make payment.

Verizon refused to pay its special access accounts and to make even this a minimum payment of amounts indisputably due to compensate Cavalier for its continuing provision of service to Verizon.

Cavalier is willing to meet and discuss the terms for payment of these charges at your convenience. You may call me at 804-422-4515 to discuss those terms of payment.

Sincerely,

Martin W. Clift, Jr.

Martin W. Clift, Jr.

Exhibit D

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of Application of Verizon New Jersey, Inc., BellAtlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a/ Verizon Enterprise Solutions), Verizon Global Networks, Inc., and Verizon Select Services, Inc., for Authorization to Provide In-Region InterLata Services in New Jersey	)	CC Docket No. 01-347

DECLARATION OF JEFFREY C. SNYDER
ON BEHALF OF CAVALIER TELEPHONE MID-ATLANTIC, L.L.C.

I. QUALIFICATIONS AND PURPOSE OF TESTIMONY

1. My name is Jeffrey C. Snyder. My business address is 2134 West Laburnum Avenue, Richmond, Virginia 23227.

2. I am the Vice President of Marketing for Cavalier Telephone Mid-Atlantic, L.L.C. ("Cavalier"). In this position I am responsible for all marketing and market development activities throughout the service area of Cavalier and its affiliates. That service area includes Virginia, Maryland, Pennsylvania, Delaware, New Jersey, and the District of Columbia.

3. I have a Bachelor's degree in Marketing from Western Michigan University. Before joining Cavalier in late 1998, I was the marketing manager for Neway Anchorlok International's $45 million specialty suspension business unit for three years. Before

that, I held positions in marketing, sales, and project management for nine years with Prince Corporation.

4. The purpose of my declaration is to describe Cavalier's unbundled loop ("UNE-L") facilities-based local service offering that has attracted more than 100,000 customers in Virginia and how Verizon's newly adopted New Jersey non-recurring charge ("NRC") for "hot cuts" absolutely precludes Cavalier from providing a similar UNE-L offering to New Jersey customers.

II. CAVALIER'S LOCAL TELEPHONE SERVICES.

5. Cavalier was founded in late 1998 and first began providing facilities-based local telephone services in July 1999 in Virginia, where it now serves over 150,000 access-line equivalents. Cavalier focuses on the provision of facilities-based residential local telephone service to both residential and business customers. Cavalier provides that service by purchasing unbundled loops ("UNE-L") from Verizon and connecting those loops through collocated facilities in Verizon central offices to Cavalier's own network and switches. Consequently, when Cavalier obtains a new customer, it must pay an up-front nonrecurring charge ("NRC") to Verizon to physically disconnect the loop from Verizon's switching equipment and, instead, terminate the loop on Cavalier's switching equipment.[1] This activity is called a "hot cut."

6. Verizon's hot-cut NRC in Virginia is $13.49/line if a premise visit is not required, and $32.50 if a premise visit is required. Cavalier recognized that it could not compete effectively against Verizon, and attract customers to switch to Cavalier, if Cavalier attempted to

pass the hot cut NRC with a "conversion" charge. Customers would not be inclined to transfer their service from Verizon to Cavalier if Cavalier charged a transfer fee that covered the NRC for the hot cut conversion. Accordingly, Cavalier "absorbs" the hot cut NRC in Virginia, Cavalier incurs an charge up to $32.50 that is not passed on to the consumer.

7. Cavalier developed a business plan to expand its residential local telephone service business model to other Verizon states. That plan did not include New Jersey because Verizon's New Jersey recurring charges were on their face far too high to support Cavalier's facilities-based local entry plans. In addition, the hot cut NRC in New Jersey was more than double that in Virginia.

8. However, as part of its expansion plan, on November 15, 2001 Cavalier acquired Conectiv Communications, Inc. ("Conectiv"), which served approximately 60,000 lines in Virginia, Maryland, Pennsylvania, Delaware and New Jersey. Because Cavalier obtained 15,000 New Jersey local telephone lines in that acquisition, Cavalier re-examined whether it would be economically feasible to provide local telecommunications services in New Jersey. In particular, Cavalier examined whether the UNE rates adopted by the New Jersey Board of Public Utilities ("NJ-BPU") for Verizon on November 20[2] would make facilities based local telephone entry in New Jersey economically feasible for Cavalier.

9. Based on Verizon's lower recurring UNE rates, Cavalier was initially hopeful that it could profitably implement its facilities-based local entry business plan in New

---

[1] This process must also be carried out when migrating existing UNE-P customers to facilities-based UNE-L services.

Jersey. However, Cavalier's optimism was stopped cold when it reviewed the "fine print." Although Verizon's recurring rates are now somewhat lower, Verizon's overall hot-cut rates are much higher. Verizon's newly adopted New Jersey two wire hot cut NRC is $159.76/line if no premise visit is required, but jumps to a whopping $233.12 when a premise visit is necessary. The no premise visit NRC is almost 400 percent higher than Verizon's prior hot cut rate of $32.16/line, and as much as 3,825% higher than the hot cut NRC charged by Verizon in its other territories.[3]

10. It is simply not economically feasible for Cavalier to expand its New Jersey customer base if Cavalier is required to pay anywhere from $159.76/line to $233.12/line to Verizon for each newly acquired customer. As explained above, Cavalier cannot pass hot cut NRCs on to its customers through higher rates because any attempt to do so would motivate customers stay with Verizon. However, with such extreme high rates for a customer installation ranging up to $233.12/line Cavalier itself cannot possibly afford to absorb Verizon's New Jersey hot cut NRC like it does in other states. Thus, unless Verizon substantially lowers its New Jersey hot cut NRC, Cavalier will not attempt to gain any additional customers in New Jersey.[4]

---

[2] *See* Telecommunications Summary Order of Approval, *The Board's Review of Unbundled Network Elements, Terms, and Conditions of BellAtlantic New Jersey, Inc.*, Docket No. TO00060356 (November 20, 2001) ("Summary Order").

[3] Verizon's Pennsylvania, Massachusetts, Delaware, Maryland, and Virginia per line hot cut NRCs are , $4.07, $15.26, $22.52, $16.22, 13.49, respectively.

[4] Cavalier, of course, does not intend to abandon its existing New Jersey customers obtained through the Conectiv acquisition. To the contrary, Cavalier will continue providing high quality local telephone services to those customers. However, Cavalier will not seek to obtain additional New Jersey customers. In this way, Cavalier expects to maintain good customer relations with its newly acquired New Jersey customers in case Verizon's New Jersey UNE rates are someday lowered to levels that make expansion of Cavalier's facilities-based local telephone entry plans economically feasible.

III. CONCLUSION.

11. In sum, Cavalier plans to continue providing and expanding its facilities-based UNE-L residential local telephone services in Virginia, Maryland, Pennsylvania, and Delaware. However, given Verizon's massively inflated New Jersey hot cut NRC, it is not economically feasible for Cavalier to expand its successful facilities-based UNE-L local telephone business plan into New Jersey.

VERIFICATION PAGE

I declare under penalty of perjury that the foregoing Declaration is true and correct.

Jeffrey C. Snyder

Executed on: January 10, 2002

Sworn to and subscribed before me, in my presence this 10th day of January, 2002. A Virginia Notary Public. In and for the State at Large.

Notary Public

My Commission Expires July 31, 2004